

STATE OF THE NATION ADDRESS BY PRESIDENT DANNY FAURE

6 March 2018

Mr Speaker,
Leader of the Opposition,
Leader of Government Business,
Members of the National Assembly,

I would like to start by congratulating you Mr Speaker on your election as the head of the National Assembly. It is my sincere hope that we can continue to work together for the good of Seychelles and the good of the Seychellois people.

Congratulations to Honourable Ahmed Afif on your election as Deputy Speaker and Honourable Phillip Arissol as the elected representative of the district of Anse Boileau.

Mr Speaker,
Dear Seychellois brothers and sisters,

It is a great honour, a pleasure, to address the Seychellois Nation and National Assembly today.

On the first of January this year, as I walked along Cote D'Or beach at dawn, I met two people cleaning the beach. A father, and a little boy of just 9 years old. In my conversation with them, I was touched when the little boy told me that he enjoyed coming to work with his father to help him, and learn about his work.

This is an illustration of the importance of values that parents can give their children from a very young age. These values are what weave the fabric of our community together. Family is the foundation of our society. The state of the nation depends on the state of our families, the state of our communities, and the state of our economy.

Mr Speaker, as a people, we have worked together and together we are achieving a lot. Economic growth has been positive in the last 10 years. Last year, the economy grew by 4.2%. The macro-economic environment is stable and our fiscal position is stable. Today, the World Bank classifies us as a "High Income Country". In Africa, we are the only country who has this classification, and we are the first country in the Indian Ocean to attain this classification.

But we have never measured progress by these factors alone. Aside from measuring our progress in terms of GDP per capita, or the average salary of our population, we also measure our progress by the success of our people. By the jobs they can find and the quality of life those jobs offer. By the prospects of a small business owner who dreams of turning a good idea into a thriving enterprise. By the knowledge that if we are ready to work hard, there is nothing that we cannot achieve. By the care we give our children. By our life expectancy, which is now on average 75 years.

We also see social ills growing at a worrying rate, and the existence of poverty in certain pockets of our population poses a serious challenge to our progress and inclusive development.

Mr Speaker, since we embarked on an Economic Reform Programme 10 years ago, many more people have participated actively in employment. This participation has brought many benefits, but also some drawbacks. One of these drawbacks is that now when our citizens are older, they lack the strong family structure around them that was present in the past – their children are in employment. We must always preserve the dignity of our citizens, especially in their retirement. As a result, we have the carer system.

Today we have 3,414 carers, and they look after 3,500 citizens. This situation, where on average one carer looks after one citizen, has become one that is very costly to maintain. In the 2018 Budget, the total salary for all carers in the country was 185 million Seychelles Rupees.

Mr Speaker, there are 4 areas that we need to concentrate on:

1. A place to occupy our elderly during the day, in the form of a 'Day Centre' for adults
2. More 'Homes for the Elderly', where able-bodied elderly can live together
3. Places where those elderly citizens that require specialised care can stay together, as in a 'Nursing Home'
4. The professionalisation of the carer system

The concept of a 'Day Centre' for adults allows elderly to spend their day with peers and engage themselves meaningfully somewhere where there will also be someone present to give care if necessary. The Government will make land available to the private sector for them to build and manage such establishments, and we will pay to use this service.

'Homes for the Elderly' are places where able-bodied elderly citizens can stay together. The State has 9 Homes for the Elderly in several districts, but it is not enough.

Mr Speaker it is very encouraging to note that the Anglican Diocese has taken the initiative to build a Home for the Elderly in Le Niolle.

The Government is making land available to the private sector to build and manage such establishments.

'Nursing Homes' are places for elderly citizens who require specialised care, like the Hospital at North East Point. Again, the Government is making land available to the private sector for the construction and management of such establishments.

I would like to announce that those who establish the 3 facilities I have outlined for our elderly citizens before 2021, will be exempt from Business Tax for the first 10 years of their operation.

The Government is professionalising the support that Carers give today, to ensure that our elderly citizens are looked after well, and that Carers can look after more than one person at a time. The Government has already begun enhancing the Carer system by offering professional training.

The aim of these 4 measures is to give our elderly citizens more chance to interact with people, and to live in a supportive community environment. Since we have an ageing population, it is important that our Carer system remains sustainable. It will take us some time to fully make this transition, but it is necessary to plan and prepare ourselves to do it together.

Mr Speaker, we need to take care of our families, that form the foundation of our society.

I would like to announce that the Government will increase the amount of maternity leave from 14 weeks to 16 weeks. Paternity leave will also increase from 5 days to 10 days. These 2 measures will take effect from 15 May this year, the International Day of Families.

In the Early Childhood sector, our policies on their health, their care, their education, their environment, are solid. We are pioneers in this domain. Our work has been recognised by the International Bureau of Education, in addition to UNESCO.

This should motivate us to redouble our efforts to continue to improve our education system as a whole.

Challenges remain.

The 2017 Examination Results show a disappointing trend.

However, we have a collective responsibility to reverse this situation. Values such as dedication, appreciation, respect, commitment, discipline, loyalty; they start at home and are reinforced in school. If we continue to advocate for these values together and we persevere, we will be able to reverse this situation that we are in today together.

One of the important decisions that will be implemented from this year concerns 'automatic promotion'. It is important that children learn, learn, and learn, to attain their set targets before progressing to the next level.

Another decision involves the creation of a Technical and Vocational School on Ile Soleil, that will take children from S3. There is a necessity to better prepare our youth from a young age for them to gain the knowledge and competence to better integrate into the economic sector.

I would like to invite the private sector to collaborate in the construction and management of this school. The Government will pay for the education of all children who go to this school. I hope to see this school open in January 2020.

With the autonomy that schools have gained, the new Education Law that was recently amended, and the regulation that will soon come into force on the contract between parents and schools, there will be more stability in our schools and a more conducive environment for learning. It is my sincere hope that we continue to give our full support to all our teachers and staff as we begin a new chapter.

Mr Speaker, our workforce is the pillar of our economy. With their courage, determination, and perseverance, they have brought Seychelles to where it is today. I would like to thank the Seychellois people for their hard work.

In reality, our workforce faces challenges. Challenges with social ills, challenges with the cost of living. It is important that we understand what we have achieved together and what we can achieve together. On the economic front, today we have succeeded in consolidating our economy thanks to the collaboration and cooperation of all sectors. In the last few years our workforce has seen a rise in salaries. The Government introduced a minimum wage for the first time in 2007, and continued to raise the minimum wage whenever the economic situation permitted.

With our collective efforts, we abolished Income Tax on the majority of employees. We introduced a 13th month salary. We went even further. In the law today, as you all know, there is no tax on compensation, overtime, commuted overtime, service charge, gratuity, the 13th month salary, and end of contract payment.

Based on the revenue performance of the first 2 months of this year, and the accelerated preparation done by the Seychelles Revenue Commission, the Government has decided that the last phase of the Progressive Income Tax will now be implemented one month earlier from the first of June this year.

Mr Speaker, I would like to use this occasion to ask all employees and employers to make sure that they contribute toward their pensions. Even if it is not much, contribute regularly.

Mr Speaker, as our country progresses, as the economy grows, and as there is more development, there is more demand for labour. Following the most recent statistics published by the National Statistics Bureau on employment, there are 48,195 people in formal employment. This figure includes 17,757 foreigners that hold a Gainful Occupation Permit (GOP).

Today the economic structure has developed and the percentage of employees in the Government is 21%. The amount working in parastatal organisations is 16%. The majority of workers today, 63%, work in the private sector.

Mr Speaker, the amount of people that are registered as seeking employment is 1,778. This means that if each of them replaced a foreigner today, there would still be 15,979 foreigners holding GOPs in employment.

The level of our development and the size of our economy means that there are more jobs than Seychellois looking for jobs. For this reason, the country needs foreign workers.

What is important is that we continue to create a favourable environment for our Seychellois workforce to continue progressing in their place of work. This depends heavily on training, commitment, and a strong human resources department at the workplace.

For people that are already in employment, it is an opportune moment to launch the country on a continual training programme where the private sector has a vital role to play.

We have decided to amend the 'Business Tax' law to give benefits to companies that implement training programmes for their workers. Today, only tourism, fishing, and agriculture sectors get fiscal advantages in 'Business Tax' when they finance training for their workers. The Government has decided to give this benefit to all businesses in all sectors – all businesses will be allowed 150% deduction of the cost of training for their staff. This measure will take effect from the 1st of April this year.

We will also amend the 'Income and Non Monetary Benefits Tax' to remove tax that is applied on the benefits that employers give employees for training. This will also take effect from the 1st of April this year.

Mr Speaker, there has been a lot of discussion on Air Seychelles in the National Assembly. Air Seychelles is going through a transformative restructuring process, in view of the very competitive environment in the aviation industry. Air Seychelles has seen it necessary to adopt a new model that depends on less workers. We will do everything to facilitate employment for all workers that are affected.

Mr Speaker, there has been a lot of debate and discussion on Stevedores. We have decided to introduce new regulation that gives protection to our stevedores and the important work they do for our economy. This will be in force from the 1st of May this year.

Another category of work that requires protection under the law is domestic workers. We will introduce new regulation which will be in operation from the 1st of May this year.

Mr Speaker, a new Employment Bill will be presented to the National Assembly before the end of June. This new law follows multiple consultations and I hope that the National Assembly will approve it. It is a modern law aimed at increasing productivity and improving the employment environment – primarily by distributing rights and responsibilities more equally between employers and employees.

Mr Speaker, I would now like to address cost of living, a subject that concerns us all. I would like to present our population with some facts.

As a country that imports the majority of goods we consume, the rise in cost of goods on the international market automatically causes a rise in the cost of goods here in Seychelles. The international rate of exchange also impacts the cost of goods when they arrive in Seychelles.

The amount of fuel that we used last year has risen. In 2017, we spent 72 million US Dollars on the importation of fuel. If the price of fuel in the international market stays high, we will spend a lot more than 72 million dollars this year.

Statistics from the Central Bank of Seychelles show that the sum of loans given by banks last year increased by 910 million Seychelles Rupees, to make a total of 6.03 billion Seychelles Rupees. In this increase of 910 million Seychelles Rupees:

- 144 million Seychelles Rupees were for tourism establishments;
- 135 million Seychelles Rupees were for mortgage loans; and
- 253 million Seychelles Rupees went to individual consumption

In 2017, residents made 73,927 international trips. In this figure, 53,190 of these trips – 72% – were made by Seychellois.

Last year, the amount of visitors that came to Seychelles rose by 15.4%. The sum of foreign currency brought by this sector is equivalent to 6.5 billion Seychelles Rupees. This represents a rise of 16.8% compared to 2016.

Despite the rise in the amount of money that tourism brings to our economy, the price of the Dollar continues to rise. When the demand for foreign currency rises, prices will also rise, and we have seen our Rupee depreciate. In the last 12 months, the price of the Dollar has risen by 2%. This has happened mainly because the level of importation has also continued to rise in this period.

Mr Speaker, in the last few years the Government has done a lot to reduce the cost of essential goods and services including food, health, and housing, with the aim of reducing the cost of living. As you all know, VAT has been removed on all essential items, and recently, on many more products.

The Central Bank of Seychelles will be implementing a system that makes it easier and faster to make transactions on local cards before the end of the year. This new system will reduce the charges that merchants pay today whenever customers use card to pay for goods. This measure will help reduce the cost of goods which will in return benefit citizens.

With regards to electricity, we have decided that the “re-balancing” exercise of tariffs between the residential and commercial sectors that would have taken place in November 2017, will now take place from the 1st of September 2018.

In our continual efforts to reduce the cost of living, the Government has also decided that from July this year, Trades Tax on clothing will be cut to 0%.

Mr Speaker, this year IOT appointed their first Seychellois CEO. Following the Government’s conversation with this company, IOT has agreed to reduce the local cost of tuna cans to 5 Seychelles Rupees a can from 1st April this year.

The Government has also been focusing on encouraging local importers to bring in goods from new markets. For example, following my State Visit to Kenya last year, the relevant agencies visited and confirmed that we can safely import food from Kenya. Today, Kenya is a new source of goods.

The Government has also begun the same process with Ethiopia. Our hope is that by working with producers that are closer to Seychelles, the transport charges will be less and thereby reducing the cost of living.

Mr Speaker, citizens with lower salaries are affected by the rising cost of living the most. We have decided that from 1st January 2019, the minimum salary will rise to become 5250 Seychelles Rupees a month.

Accordingly, we will also increase Social Security benefit for our elderly citizens, which will go from 5050 Seychelles Rupees to 5250 Seychelles Rupees a month from January 2019.

Mr Speaker, in 2000 the Government decided to invest in the purchase fuel tankers. The first tanker was acquired in 2002. At the time, we had serious constraints of foreign exchange and we took loans to repay our creditors. It was challenging, but we persevered, and today we have repaid all our loans. Today, SEYPEC is a company that is doing extremely well.

The Government has decided that the time has come for Seychellois to share in the success of this company. From November this year, 20% of SEYPEC will be privatised. This investment will be available exclusively to Seychellois.

Mr Speaker, this year we will present the National Assembly with a law to establish a "Sovereign Wealth Fund". This is a fund for the country, for the future of the country.

Mr Speaker, the tourism industry is a very promising one for business, for employment, and for value addition. This industry remains the pillar of our economy. Last year, the number of visitors rose to 349,861 and this has put approximately 6.5 billion Seychelles Rupees into the economy. Today, approximately 85% of hotel and accommodation establishments are 100% Seychellois-owned. These 491 establishments represent 2448 rooms out of a total of 6017 rooms.

This represents a big opportunity for us to continue to consolidate what we are doing well in the tourism industry. It is also important for us to increase the benefits that other economic sectors, such as agriculture, fishing, culture, artisanal and others receive through tourism. We are reviewing policies to support a more coordinated approach with the private sector to bring this diversification.

With the aim of promoting our local traditions and Creole culture, the Government is making land available to the private sector to construct and manage restaurants that serve exclusively Creole food.

I encourage all partners to collaborate with leaders in the communities to offer cultural programmes or projects that contribute to preserving our cultural heritage, whilst also attracting more tourists.

Mr Speaker, competition is good – it encourages innovation and benefits consumers. As Government, we have a responsibility toward the private sector to ensure competition is fair.

The Government has revised its policy on vertical integration in the tourism sector. This policy will ensure that competition between different actors in this sector will be one that is fairer, and that all businesses can participate and benefit from this industry.

This policy was developed in partnership with the private sector, and will be in place from May this year.

Mr Speaker, together, we are writing a promising new chapter for our country. The global tourism industry is looking for an exemplary model of sustainability. La Digue should be this model of sustainability. Consultations on this matter have already begun, in an effort to better integrate this concept for La Digue into our National Vision 2032.

On Praslin, we are improving infrastructure to facilitate diversification and increase the role that Praslinois play in the development of the island. This includes new projects such as a road for La Plenn Olandaise which will connect Baie Ste Anne and Grand Anse Praslin.

If there are more activities for tourists to enjoy, we can expect them to spend more time on our islands. And this in return will create new opportunities for other services in other sectors.

The increase in the number of tourists on Praslin and La Digue puts pressure on the infrastructure of these 2 islands. It is important that we find financial resources to maintain the infrastructure; including roads, sewage management, and maintenance in general. It is for this reason that the Government has decided that from 1st January 2019, we will introduce a 'landing fee' for all tourists that visit these 2 islands. The rate of this 'landing fee' will be finalised following discussions with the private sector. The revenue collected from this will go toward the Praslin Development Fund and La Digue Development Fund for the development of these two islands.

Mr Speaker, I cannot speak about tourism without speaking of our environment. The preservation of our environment is critical, for tourism and for our own quality of life. The revenue we get from the tourism sector allows us to protect our forests and reefs, and to invest in research. For example, the Black Parrot was declared and recognised as an endemic specie in 2015 thanks to research done here in Seychelles.

It is the collective appreciation as a people of the importance of our environment that will ensure these endemic species in our unique forests, such as Fond Ferdinand and Vallee de Mai, are protected. As I said last year, each of us, we are guardians of this paradise.

Mr Speaker, from 2019 the Seychelles National Parks Authority, the authority that looks after all national parks, will become an autonomous agency. This means that it will be Budget-independent and will use the money collected from the various services it offers. This will allow them to finance the maintenance of trails in good condition, improve its infrastructure, and finance various projects to attract more visitors.

The Government has listened. Following recommendations from the National Assembly Committee on Islands, we have decided that the island of Marie-Louise will be a dedicated bird observatory. An agreement to formalise this will be signed between IDC and the Island Conservation Society this month.

Mr Speaker, our Outer Islands that the National Assembly Committee on Islands has had the chance to visit, represent the next phase of tourism development for Seychelles. It is important that Seychellois have the opportunity to appreciate the exceptional beauty of our islands. It is for this reason that over the next 2 years, IDC will double the amount of rooms on the outer islands, offering affordable rooms to promote local tourism.

Mr Speaker, the Blue Economy represents a new frontier for Seychelles. Seychelles is the first country in Africa to develop a Marine Spatial Plan that better protects our ocean, creates opportunities for investment, and generates more wealth for our economy. As you know, we are the first country in the world to use an innovative debt swap mechanism where the protection of our ocean is used to reduce our debt. We recently protected an area of water equivalent to the size of the United Kingdom.

The Blue Economy represents new investment, new professional careers, and new opportunities.

Mr Speaker, fisheries is another key sector of our economy. We would like to develop this industry sustainably, and make Seychelles a strategic centre in the Indian Ocean for fishing, transshipping, and processing of fish. We need to keep more of the fish from our waters, and create more value addition in our fishing industry.

In the last 2 years, we have seen the amount of semi-industrial fishing boats to go up from 11 to 30. In 2017, the amount of registered artisanal boats rose to 497. The Government remains committed to ensuring that the necessary infrastructure and services are in place for the development of the sector. However, there is an urgent necessity to bring more coordination to this sector and more cooperation between all actors.

The Minister for Fisheries and Agriculture, together with SFA and the Department of Blue Economy, will begin a national consultation to carry out a comprehensive review on current fishing policies. This is to ensure that our fishing policies reflect the reality of contemporary challenges, whilst also addressing the subject of sustainable fishing.

The Government has decided that SFA will become an autonomous agency from January 2019. This will allow it to ensure that the infrastructure and services that this vital industry depends on is in place and well managed.

With regards to infrastructure, the second phase of construction of the Fishing Port at Providence will be complete by the end of July 2018. This will bring an extension of 216 metres to facilitate the docking of fishing boats and increase ice production for fishermen to 10 tonnes a day.

Improved road infrastructure and public utilities at Ile du Port will bring many opportunities for those industries that use the port. Despite the delays, we are committed to ensuring the infrastructure is in place by the end of the year.

On Praslin, consultation has started between relevant partners to implement projects on Grand Anse and Baie Ste Anne to develop fishing facilities.

On La Digue, SFA is constructing a fish market and equipment store that will be operational by May this year.

Mr Speaker, a new era has begun in our agricultural sector and we encourage all partners to continue to work together to energise this sector.

Since the beginning of 2017, several infrastructural projects have been implemented, including roads and drainage. We also improved the market facilities. The Government is committed to supporting and encouraging the development of the agricultural sector, which is at the heart of developing a sustainable and inclusive economy. This sector also has a vital role to play in bringing greater food security to our country.

In 2018, the Government will intensify the development of infrastructural projects and continue to give staunch support and assistance to this sector.

Mr Speaker, our financial sector is going through a trying time. There is an urgent need to update all of our policies, laws, and regulations in accordance with international standards. Our financial services sector remains once with a lot of potential to contribute to our economy. Formulated with representatives of the industry, our national Vision 2032 includes a strategy to develop this sector:

- Create new products and services to increase local value addition
- Create more employment opportunities
- Remain up-to-date with international standards

The Government is committed to work with all partners in this sector in a coordinated manner.

Mr Speaker, many of our businesses are constrained by limited access to finance. On the 1st of March this year, the Government issued a directive to Nouvobanq and Seychelles Commercial Bank to increase the amount of loans given to small businesses.

We need to continue to use the opportunities at our disposal to help small businesses develop.

There are Seychellois contractors in addition to garage owners who have been encountering land constraints. At present, reclamation is being done at Providence by a local company. This reclamation will create a land area of more than 7,000 square meters that will be made available to approximately dozen businesses that maintain cars and boats. This land will be managed by Industrial Estates Authority.

We are also making a land area of 15,000 square metres available for the use of small contractors, that will be managed by the Industrial Estates Authority. This land will help Class II contractors.

We will be making land available to the private sector in Grand Anse Mahe, Anse Royale, and Baie Ste Anne Praslin to be used for leisure activities and entertainment, such as a discotheque for example. We invite the private sector to construct and manage such establishments.

Mr Speaker, land that has been demarcated for the Victoria Waterfront at Ex-Children's Playground is also directed at the development of our Seychellois. The plan for this Waterfront is based on consultations that the Government undertook in 2014 and 2015.

This development will incorporate economic activities such as cafes, restaurants, kiosks and shops. It will also include the construction of 120 apartments in its first phase which will be sold only to Seychellois citizens. This development will be a place to help our small and medium sized businesses flourish, create more residences for our citizens, and will also invigorate our Creole capital.

There is a lot more to be done to improve the ease of doing business in Seychelles.

On the 25th of June this year, I will chair the first Local Business Summit where all principal actors will be present to share their suggestions on measures to improve the ease of doing business. It will also be a platform where the Government can listen to what various sectors have to say, with the aim of better planning our economic and social development.

Mr Speaker, our economy has grown continually in the last few years. We could reduce our debt levels and maintain macro-economic stability. However, to effectively diversify our economy and accelerate our economic growth rate, the Government needs major infrastructural advancement. On 14 February last year I spoke on the importance of infrastructure for our development, and today I would like to share our progress on this front with our people.

I discussed the extension of the port, a project that will extend the length of the port to 600 metres, remove any sections in poor condition, and increase the size of the port. This project will cost 34.7 million Euros and will be financed by the European Investment Bank (EIB) and Agence Française de Développement (AFD). The European Union has also given us a grant of 5 million Euros toward this project. We signed the financial agreement yesterday 5 March.

Another major project is for a second submarine cable which will carry Internet. This second cable is strategic for Seychelles. In case of an accident with the first cable, it provides an alternative route. Progress has been made and telecommunications companies Airtel and Cable and Wireless have agreed to invest in this second cable, together with the Government.

With the increase of our population and the number of tourists coming to Seychelles, the amount of water we consume continues to rise. Last year, PUC produced 14.6 billion litres of water. During the months of drought, more than one third of our water consumption came from desalinated water. The time has come for us to prioritise our water security. Work on the project to increase the capacity of La Gogue Dam has begun. The Government has listened, and we have decided to construct a second dam in the district of Grand Anse Mahe. Following a study, this dam is expected to cost 80 million Dollars.

Last year, I shared a proposition to construct 2 tunnels, but I said that we need to carry out a feasibility study for both projects. Today I would like to announce that these

studies have been done. It is possible to build a tunnel between Cascade and Grand Anse Mahe, and one between Beau Vallon and English River.

Initially, we plan to construct a tunnel between Cascade and Grand Anse Mahe. This project will provide numerous benefits including a reduction in transportation costs to and from West Mahe and a decrease in the cost of transporting electricity to the West Coast. Additionally, in future, this will create opportunities for more effective transportation of water. This tunnel will help our economy become more efficient generally and reduce the operating costs of businesses. Moreover, the process of constructing this tunnel will provide raw materials for the construction industry. These materials will also be used in the construction of the dam. Based on a preliminary assessment, this project will cost approximately 54 million Euros.

Mr Speaker, the energy sector urgently needs solutions that are cleaner, more sustainable, and more cost-effective. Despite technological advances, renewable energy cannot fully meet all our energy requirements.

For this reason, I would like to announce that the Government has decided that the new generators that produce our electricity will be powered by Liquefied Natural Gas – known as LNG. These generators are more efficient, more cost-effective in the long-term, and will reduce the cost of electricity production. It is also better for the environment, and aligns with our vision as a sustainable country. LNG reserves were recently discovered in neighbouring countries such as Tanzania, Madagascar, and Mozambique, and this will reduce transportation costs and make the price of LNG more competitive for Seychelles.

Using LNG for our electricity needs is highly advantageous, both from a practical and economic standpoint. The cost of this project is estimated at 216 million Dollars. Today, I invite the private sector, including all Seychellois, to join us in formalising this project. We ask all our citizens and the private sector to be a part of this new company, which will be created this year.

A technical study has allowed the Government to know where exactly it is feasible to carry out land reclamation. As a result, there are 5 specific areas that the Government has decided to reclaim:

- Firstly, the area around Ile Hodoul, which will create more than 5 hectares of land. This will help with the development of Victoria Bypass, and will incorporate the development of the Victoria Waterfront.
- Ile Aurore will be extended by 19 hectares for touristic and residential development.
- 40 hectares will be reclaimed in the Providence area to create more land for industrial activities for small and medium sized businesses.
- The area in front of the PUC electricity production station at Roche Caiman, between the Swimming Pool and former Coast Guard Base. This will create 8 hectares, principally to produce electricity in the future and supports the port extension.
- 10 hectares will be reclaimed at Grand Anse Praslin for a marina, touristic activities, other economic activities, and residences. This will be done in front of La Pointe, at the junction to go toward Vallee de Mai.

These 5 reclamation projects, including a reserve of 600,000 cubic metres of ‘coral fill’, will cost 67 million Euros.

Mr Speaker, all of these projects are important for our economic and social development. They will facilitate economic growth for the next 25 years. This infrastructure is necessary to help our economic diversification and will continue to improve the quality of life for future generations.

We aim to use new methods of financing for these major projects as much as possible, outside the National Budget. These methods will include bilateral aid, public private partnerships, private sector investment, and individual investment. I encourage all banks to facilitate the process for any citizens that want to invest in or be a part of these projects.

Mr Speaker, it is essential that our country has a framework in place to support public private partnerships in law. A new law called “Public Private Partnerships Act” will be presented to the National Assembly in June this year for its consideration.

Mr Speaker, last year I said that our fight against poverty needs to be one that is better coordinated. This task has begun and progress is being made.

The Government has established a Rapid Response Team that helps those in critical situations. We are improving this system to make the response time even faster. The families that we assist face many difficulties, that are not based on financial constraints alone. We are looking to address the other factors in their life that play a role in a more coordinated manner, so that these families may develop the capacity to exercise greater control over their destiny.

Poverty surveys have been completed in the districts of Mont Fleuri, Roche Caiman, Les Mammelles and Plaisance, and concrete actions have already been taken. Surveys in districts from Cascade to Takamaka will be completed this month. Based on these surveys, an information system on National Poverty is being established, which will help the Government give better organised support through the District Administration. With this information system, the Agency for Social Protection will also be able to better target and assist those facing poverty.

The housing situation in the country remains critical. We are giving a lot of attention to this sector.

Last year, in 2017, the Government built 144 houses:

- 42 in Grand Anse Mahe
- 36 in Mont Buxton
- 30 in Perseverance
- 12 in Baie Ste Anne Praslin
- 24 in Bel Ombre

At the moment, there are another 319 units under construction, financed through the National Budget, CSR tax, and loans that the Government took from Seychelles Pension Fund and Seychelles Commercial Bank.

Mr Speaker, under the 24 houses in 24 districts in 24 months programme, progress is as follows:

- 2 projects have been completed at Mont Buxton and Grand Anse Mahe;
- 7 projects are under construction at Takamaka, St. Louis, Baie Ste. Anne, Anse Boileau, Baie Lazare, Beau Vallon, and Au Cap;
- 6 projects at Bel Air, English River, Mont Fleuri, Pointe Larue, Grand Anse Praslin and Plaisance have already been tendered and construction will begin shortly;
- 2 projects at Anse Aux Pins and Port Glaud are being finalised following tender;
- 7 projects will be going to tender this month, being Cascade, Bel Ombre, Anse Etoile, Anse Royale, Glacis, La Digue and Roche Caiman;
- Les Mammelles will be tendered out in April

As Roche Caiman will have 24 units instead of 10, it means that this programme will create 24 houses in 25 districts in 24 months.

Mr Speaker, between January 2018 and the end of February 2019, we would have built a total of 605 homes for our families.

More than 250 units will also be built and financed by the private sector at Perseverance, which is being tendered. The expression of interest was released in December 2017 for 5 plots of land and work is expected to be completed by the end of 2019. The Government will make another 3 plots of land on Mahe and 1 plot on Praslin available to the private sector to build homes and sell them to our families.

Mr Speaker, we plan to build 36 Condominium units under the Self-Financing Scheme in the district of Grand Anse Mahe. The Government will start work on this project before the end of the year. The same scheme will be used to develop the land at Cascade where the asphalt plant was located. Work on this project will start in 2019.

Mr Speaker, today I would like to congratulate families – and there are many of them – that are responsible and plan for the future. With HFC for example, there are 5,146 families on the Home Savings Scheme, and between them, they have saved 129 million Seychelles Rupees. They are an incredible example. I would also like to thank them for their patience.

Mr Speaker, we have an ambitious programme to continue building houses for our citizens. The Government intends to build on average 600 homes a year from 2019, financed by the Government Budget, participation of the private sector, and aid from friendly countries.

As you know, last year the Government developed a new policy on land allocation based on a points system. This policy was recently revised and will go through the last round of consultations with Members of the National Assembly this month.

This year, the Government will allocate 351 plots of land from the land bank based on this new policy. We expect to begin allocation from June.

In 2019, as a part of our programme, more plots of land will be made available.

Mr Speaker, as I said last year, the Government wanted to hold District Council elections in 2018. However, following discussions with the Opposition and considering the financial requirements of a District Administration Council, we agreed that it would be in the country's best interest to start with an administrative Regional Council. The necessary law will be drafted based on the practicalities of how this structure will work.

Mr Speaker, the state of our Nation is also based on the state of our healthcare. For us to have a better chance at improving the quality of our life, the state of our healthcare is important. The Government's expenditure on health services continues to rise, and is close to 10,000 Seychelles Rupees per head per year. There have been many accomplishments in this sector:

- The infant mortality rate is 10.9 in 1000
- In 2017, there was only 1 recorded maternal death
- 99% of our pregnant mothers made at least 4 antenatal visits during their pregnancy
- Last year, 97% of orthopaedic operations were performed locally
- Our vaccination rate is more than 95%, and for babies less than 2 years old, this figure is 97.5%

However, the reality today is that we see lifestyle-related illnesses. We need to be more mindful of what we are eating and drinking. We need to be more active, and make the time to do more exercise. We need to take responsibility for our health. The solution is at hand – prevention, prevention, and prevention.

Seychelles has an ageing population and faces an increasing number of illnesses linked with lifestyle choices. When we consider the trend of rising Budget expenditure on healthcare, it is clear to us all that if we do nothing, the financing of our health system will be unsustainable in the long-term. I ask that we start a national dialogue, as well as a debate in the National Assembly, on alternative methods of financing, bearing in mind our obligation under our Constitution and a fundamental principle I believe in – that we must preserve the dignity of our people at all costs.

Mr Speaker, rapid development has also brought many challenges. Drug abuse, alcohol abuse, and domestic violence are serious social problems. We all need to come together and give a helping hand. The Government, Civil Society, religious groups and all citizens: we need to join forces and fight these social ills together.

Today I encourage more clubs, and more activities involving sports, arts, and culture, among our population. I also encourage these activities to be further decentralised. It is vital that we have offer more of these activities at district level. With a positive approach, each citizen, we can make a difference to our community. We need to inspire our young people to make a difference and become active citizens. We need to take the initiative to ensure our public life reflects the innate goodness and kindness of the Seychellois people.

If drug abuse is not controlled, it will destroy everything that we have accomplished together for the good of Seychelles.

The law that established the Agency for the Prevention of Drug Abuse and Rehabilitation was approved by the National Assembly. This Agency has begun its

work. Community-level programmes have been reinforced. This year, a prevention programme will start in our Education System to eliminate the demand for drugs in young children.

The Government is committed to the fight against this problem. This year we will develop a coordinated and structured mechanism in line with the provisions of the Misuse of Drugs Act 2016 to ensure that those who depend on drugs – what we call ‘drug addicts’ – are identified and participate in a rehabilitation programme. People who depend on drugs will be treated, educated, and rehabilitated for them to better re-integrate into society and return to a healthy life for their own good and good of their family.

We face constraints in terms of facility and resources for the treatment and rehabilitation of addicts, but we will start construction on a new rehabilitation centre at Cap Ternay toward the end of this year.

Mr Speaker, on the issue of the availability of drugs in prison, the Government contacted the United Nations Office on Drugs and Crime (UNODC) to help in the implementation of a programme to put a stop this practice. UNODC sent their experts and an implementation plan is being prepared. This programme will be effected December 2018.

This programme concentrates on the security of the population, the prison staff, and the prisoners, in addition to the element of treatment and rehabilitation. This is so that when those that were convicted leave prison, they can better re-integrate into society.

Today we have many great examples of citizens, organisations, and religious groups, that are coming forward and giving their time to help. I thank them. They are doing a lot, every single day, without big publicity or fanfare.

Mr Speaker, alcohol abuse remains a serious problem. Last year I proposed a frank debate on this subject, where the National Assembly makes concrete recommendations. I would like to inform the National Assembly that the Government is in the process of finalising a comprehensive policy that will be implemented from July this year.

Mr Speaker, a study on domestic violence in Seychelles was recently published, revealing the magnitude of this problem. The recent statistics on domestic violence are startling. This should not be the future trajectory of Seychelles. Domestic violence erodes the foundation of our society – the family. It affects productivity at work. It affects the education of our children. It contributes in putting pressure on the demand for housing. Today, I implore those that are doing it – please stop.

Mr Speaker, the Government will bring a new law on domestic violence for the approval of the National Assembly before the end of July this year.

Mr Speaker, the security of our people is a priority. Maintaining order and peace has been entrusted to our police force. Our people expect to have a professional police force that is engaged and efficient; a police force that has resources and qualified personnel.

This is a challenge for us, and the Commissioner of Police has started implementing a new strategy to overcome this challenge. Today we have reinforced cooperation on security with all our partners in the region. The Commissioner of Police has established a direct communication protocol with other Commissioners of Police in the region. The police are building up their internal capacity to better fight drug traffickers.

I have personally met with various Heads of State and Heads of Government from the region where I gathered their support to better regulate their ports and airports to stop drugs entering Seychelles. Those of us that live on Mahe, Praslin, and La Digue, we see how our citizens, especially our youth, have fallen victim to drugs. Drug traffickers are using our seas, the vast oceans that we have. Drugs are dropped into our ocean, collected, distributed and later sold. If this continues, our labour force, especially our young people, will lose a future and not live to see tomorrow. Drugs are killing our youth. As Government, we need to have a comprehensive maritime strategy in place. We need to continue to reinforce our police force and more importantly – we need to reorganise our Coast Guard.

We reinforced cooperation between the police and all agencies fighting against drug traffickers in the region. Here in Seychelles, the police are strengthening their internal capacity to carry out more efficient investigations and in line with existing laws, they will have more qualified personnel to carry out the seizure of assets from the proceeds of crime. We have also decided to create a special squad whose role it will be to intervene in special operations. They will be engaged in the fight against organised crime.

We intend to transfer a specific number of members of SPDF from the 1st of July this year to this special squad. In January 2019, they will be transferred and integrated into the Police force. We have also identified a site near the International Airport for the construction of their base.

We need 6 months to plan this transition and prepare the Budget for all necessary benefits, in line with the law.

In terms of infrastructure, a new police station and a forensics laboratory will be constructed on Ile Du Port which will be in operation from 2020. We will also start building a new Police Station in Baie Ste Anne Praslin this year.

Mr Speaker, this year we will commemorate the 25th Anniversary of our Third Republic. All 3 branches of Government; the Legislative, the Executive, and Judiciary, we are working to reinforce transparency, accountability, and good governance. We face challenges in this task, but we continue to persevere. We need to continue because this is in the interest of Seychelles and prosperity of the Seychellois people.

This year the Government would like to propose revisions to the Constitution in light of the propositions made by the 'Constitutional Review Committee', in addition to the recent report and recommendations from the Electoral Commission, to reflect the development and reality of the country.

Laws on the amendment of our Constitution will be presented to the National Assembly before September this year.

Mr Speaker, the state of our nation is also the state of our democracy. Our democracy continues to evolve and all of us as citizens have a role to play in developing our democracy further. Last year we saw a lot of work done on consolidating our institutions. Seychelles needs solid institutions that will promote and protect the rights and liberties of our citizens. Our aim is to build more human capacity for these institutions.

This year the Government will establish a “small claims tribunal”. This will provide people with an alternative means to resolve smaller cases or claims without engaging in a complicated or expensive process.

The Government remains steadfast in the fight against corruption. The Anti-Corruption Commission is the independent authority that has been mandated by law to carry out investigations and detect corruption. We will review the anti-corruption law and give more resources to this authority to ensure that it functions in a more effective and efficient manner in the investigation and detection of corruption.

The law will be presented to the National Assembly for its approval before September this year.

Mr Speaker, following my discussions with the Leader of the Opposition and the Leader of Government Business, the Government will present a new law establishing the Truth and Reconciliation Commission, as soon as I receive the report from the National Assembly. We expect this tribunal to be in operation from June this year.

Mr Speaker, our democracy has also seen an increase in the space for civil liberties and freedom of expression.

The media that represents the fourth pillar of our democracy plays an important role today. We also have several social media platforms. These are good, but what is important is that we use these resources in a responsible manner and maintain respect for others.

We live in a free country, in a democratic country. Protesting is a right under our Constitution, but it needs to be done with responsibility, upholding order and peace. This is essential in the maintenance of stability, which is what allows the country to progress.

We are working on a regulation under the ‘Public Assembly Act 2015’ that will establish what we would call a ‘Speaker’s Corner’ in Victoria. This is a place where our citizens will be able to express themselves and their opinion.

Mr Speaker, Seychelles is a Republic. We are a sovereign country.

Our Economic Exclusive Zone is 1.37 million square kilometres. This is more than 8500 times the size of Mahe, or more than twice the size of Madagascar. For many years, we have been building our capacity to survey and protect our territory. In the

times that we faced the threat of piracy, several countries had to come together to help Seychelles.

Today, we remain vulnerable. Drug trafficking on our waters is a major problem. Illegal exploitation of our resources is a major problem. Our maritime area is vast, and we need to regain control of our territory.

Assomption is the best possible location for a facility for our Coast Guard based on the needs and interests of Seychelles. It takes 3 days for a Coast Guard boat from Mahe to reach Assomption. It takes approximately 3 hours for a SPDF dornier aircraft from Mahe to reach Assomption. A Coast Guard facility on a section of Assomption will protect Aldabra, Astove, and Cosmoledo, and provide the security that the country urgently needs in this corner of our territory. The remainder of Assomption will be reserved for a tourism development.

It is essential that this Coast Guard facility takes into account the features of our environment, the protection of our environment, and the conservation of our environment. Before this facility for our Coast Guard is built, it is vital that a study on environmental impact is done.

Taking into account our friendship with India, and good military cooperation with SPDF for more than 35 years, the Government of Seychelles approached the Government of India for assistance in the construction of this facility. The construction of this facility will be financed by the Government of India. It will be managed jointly by SPDF and the Indian Naval Force for 20 years.

Assomption belongs to Seychelles and Seychellois. Land on Assomption has not been sold or leased to the Government of India.

Mr Speaker, accompanied by the Minister for Fisheries, the Chief of Defence Forces, and the Attorney General, I visited Assomption for the first time on 4 December 2017. I can say today, as Head of State and as Commander-in-Chief of the Defence Forces, that it is clear to me that it is in the best interests of Seychelles to have a SPDF facility on Assomption.

Mr Speaker, the Government of Seychelles and Government of India signed a new agreement on the 27th of January this year. According to our Constitution, for this agreement to enter into force, it needs to be ratified by the National Assembly.

Mr Speaker, following a formal request from the Ombudsman on the afternoon of Friday 2 March 2018 about this agreement signed between the Government of Seychelles and the Government of India, in the spirit of transparency, I presented her with all the necessary documents on Monday 5 March 2018.

In April this year, I will present the agreement to the Speaker of the National Assembly.

Today I recommend to you, Honourable Members of the National Assembly, to give your support to this project and ratify this agreement that is in the best interests of our country.

Mr Speaker, it was the decision of our citizens that led us to this unique cohabitation situation today. We are in an extraordinary moment of our history. A rare opportunity, but one that is in our hands today – for us to work together for the benefit of the Seychellois people. As responsible leaders, we chose to work together for the success of Seychelles and the Seychellois people. We decided to work together. We are working together, for Seychelles and for the good of the Seychellois Nation.

Seychellois brothers and sisters, on the 29th of June this year we will celebrate 42 years of our independence. On the 18th of June this year, we will celebrate the 25th Anniversary of our Third Republic. In 2 years, on 27th October 2020, on this blessed land we call Seychelles, we will commemorate the 250th anniversary since the arrival of the first settlers in Seychelles.

It is unity that will take us forward. We are one country, one people, one big family, and we share the same identity. Our future and the future of the generations that come after us depends on one fundamental thing, and this comes from the words of our National Anthem:

Koste Sese/wa (Come together Seychellois)

Koste Sese/wa. It is a powerful calling for our unity. It is not just a call for us to come together, it is more profound than this. It is our National Unity. Our unity in diversity and our unity in our national identity.

I thank the Almighty for looking after our Nation and our country Seychelles.

We must always put our motherland, our Seychelles, that is bigger than us all, before everything.

Koste Sese/wa.

Thank you.